

SUPPLEMENTAL REBUTTAL TESTIMONY
OF
MARK A. HANSON

TELECOMMUNICATIONS DIVISION
ILLINOIS COMMERCE COMMISSION
PUBLIC

VERIZON NORTH INC. and VERIZON SOUTH INC.

PETITION FOR CERTIFICATION PURSUANT TO 220 ILCS 5/13-517(a)
OR WAIVER PURSUANT TO 220 ILCS 5/13-517(b)

DOCKET NO. 02-0560

JANUARY 28, 2002

OFFICIAL FILE

ICC STAFF EXHIBIT NO. 02-0560
ICC Staff 2.2
Witness _____
Date 1/29/03 Reporter CB

1 **Q. Please state your name and business address.**

2 A. My name is Mark A. Hanson. My business address is 527 East Capitol Avenue,
3 Springfield, Illinois 62701.

4 **Q. Are you the same Mark A. Hanson who previously testified in this**
5 **proceeding?**

6 A. Yes, I am.

7 **Q. What is the purpose of your supplemental rebuttal testimony in this**
8 **proceeding?**

9 A. This supplemental testimony presents some revised analysis based upon some
10 information contained in Mr. Trimble's surrebuttal testimony. I am presenting an
11 updated analysis that shows an estimate of the adverse economic impact upon
12 telecommunications users using a totally incremental approach. The changes in
13 my attachment reflect an addition of \$XX million in investment, which I originally
14 subtracted in my rebuttal testimony since I believed at that point the investment
15 had already been incurred. Additionally, I modified my revenue estimates to just
16 reflect the number of customers in areas that do not currently have DSL
17 deployed. However, I must caution that I believe this analysis overstates the
18 adverse economic impact since it does not take into account the impact of
19 customers who are presently taking DSL services and the associated costs of
20 serving those customers. Additionally, this analysis does not reflect the potential
21 impact of customers who are currently in areas that are capable of receiving DSL

services but have not yet adopted those services. Since I assume that the revenues of serving those customers exceed the costs, the adverse economic impact would be less than what is presented in this analysis. This analysis is attached as Attachment 1.

Q. What are the revised impacts?

A. 2003 \$X.XX

2004 \$X.XX

2005 \$X.XX

2006 \$X.XX

2007 \$X.XX

These are the revenue shortfalls per access line. Expressed as a percentage basis of the most common network access line price the percentages are:

2003 X.XX%

2004 XX.XX%

2005 XX.XX%

2006 XX.XX%

2007 XX.XX%

Q. Do these revisions change your position in regard to whether an adverse economic impact exists?

A. No. I believe that since these calculations do not include the effects of services presently deployed the economic impact may be overstated. Thus, I would be

hesitant to state that there is an adverse economic impact for telecommunciation users generally. However, they do indicate that there may be exchanges where deploying the service may cause an adverse economic impact consistent with my rebuttal testimony.

Q. Does this conclude your supplement rebuttal testimony?

A. Yes, it does.